

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1091

STATE OF NEW JERSEY
212th LEGISLATURE

ADOPTED JUNE 26, 2006

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and Assemblywoman Greenstein**

SYNOPSIS

“New Jersey Stem Cell Research Bond Act.” authorizes the sale of State general obligation bonds in the amount of \$450 million and appropriates \$5,000.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on June 18, 2007, with amendments.

(Sponsorship Updated As Of: 6/22/2007)

1 **AN ACT** authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of '**[\$230 million]** \$450 million¹ for the
4 purpose of financing stem cell research grants, and the costs
5 thereof, for institutions of higher education and other entities in
6 the State conducting scientific and medical research; providing
7 the ways and means to pay and discharge the principal of and
8 interest on the bonds; providing for the submission of this act to
9 the people at a general election; and making an appropriation
10 therefor.

11

12 **BE IT ENACTED** *by the Senate and General Assembly of the State*
13 *of New Jersey:*

14

15 1. This act shall be known and may be cited as the "New Jersey
16 Stem Cell Research Bond Act."

17

18 2. The Legislature finds and declares that:

19 a. Millions of people suffer from currently chronic, debilitating
20 and often incurable diseases and conditions, including cancer,
21 diabetes, heart disease, Alzheimer's disease, Huntington's disease,
22 Parkinson's disease, Lou Gehrig's disease, HIV/AIDS, sickle cell
23 anemia and multiple sclerosis, as well as irreversible injuries;

24 b. New regenerative medical therapies, such as those that
25 include the use of human stem cells, offer immense promise for the
26 development of cures and more effective treatments for many of
27 these devastating diseases and irreversible injuries;

28 c. It is the policy of this State, as established by P.L.2003,
29 c.203, that stem cell research that is conducted ethically and in
30 accordance with the highest scientific standards shall be permitted;

31 d. The development of new cures and more effective treatments
32 resulting from stem cell research has the potential to improve the
33 quality of life for New Jersey residents, reduce long-term health
34 care costs and benefit the New Jersey economy;

35 e. New Jersey, as home to many of the leading corporations
36 and institutions engaged in life sciences, biotechnology and
37 pharmaceutical research, should preserve its leading role in
38 attracting investment in cutting-edge research;

39 f. The New Jersey Commission on Science and Technology is
40 the most appropriate body to effectively and efficiently allocate
41 research grants among a diverse community of research entities in a
42 manner consistent with the highest level of scientific rigor and
43 quality; '**[and]**'

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ABU committee amendments adopted June 18, 2007.

1 g. Financing these grants will further the public interest by
2 facilitating the transition of basic research into lifesaving clinical
3 applications for New Jersey residents and can most economically be
4 accomplished through a general obligation bond issuance duly
5 approved by the voters of this State ¹ ;and

6 h. In accordance with principles of fiscal responsibility and
7 sound financing practices, new State debt should not be issued
8 unless sufficient recurring revenues of the State have been
9 identified to account for the annual debt service obligations related
10 to such bonds¹.

11
12 3. As used in this act:

13 "Approved research project" means a stem cell research project
14 proposed by an eligible research institution that has been approved
15 by the commission, the independent research review panel and the
16 independent ethics review panel, pursuant to section 5 of this act;

17 "Bonds" mean the bonds authorized to be issued, or issued, under
18 this act;

19 "Commission" means the New Jersey Commission on Science
20 and Technology as established by section 3 of P.L.1985, c.102
21 (C.52:9X-3);

22 "Cost" means the expenses incurred in connection with: the
23 procurement of legal, financial, or other professional services,
24 including the services of a bond registrar or an authenticating agent;
25 the issuance of bonds, or any interest or discount thereon; the
26 establishment of a reserve fund or funds for the payment or security
27 of principal or interest on bonds, as the Director of the Division of
28 Budget and Accounting in the Department of the Treasury may
29 determine; the reimbursement to any fund of the State of moneys
30 which may have been transferred or advanced therefrom to any fund
31 created by this act, or of any moneys which may have been
32 expended therefrom for, or in connection with, any approved
33 research project authorized by this act; or any other expenses
34 incurred in connection with the administrative, organizational or
35 operating expenses incident to the financing, completing and
36 placing into service of any stem cell research grant authorized by
37 this act ¹, including the empanelment of qualified experts as
38 required by this act;¹

39 "Eligible research institution" means an institution of higher
40 education in the State, State or local government agency, or other
41 public or private entity which has a substantial business presence in
42 the State and conducts scientific and medical research in the State.
43 An eligible research institution shall be approved by the
44 commission, the independent research review panel and the
45 independent ethics review panel, as provided by this act. A for
46 profit entity shall enter into a collaborative agreement with a New

1 Jersey-based nonprofit entity in order to be eligible to receive a
2 stem cell research grant pursuant to this act;

3 "Government securities" means any bonds or other obligations
4 which as to principal and interest constitute direct obligations of, or
5 are unconditionally guaranteed by, the United States of America,
6 including obligations of any federal agency, to the extent those
7 obligations are unconditionally guaranteed by the United States of
8 America, and any certificates or any other evidences of an
9 ownership interest in those obligations of, or unconditionally
10 guaranteed by, the United States of America or in specified portions
11 which may consist of the principal of, or the interest on, those
12 obligations;

13 "Human cloning" means human asexual reproduction
14 accomplished by introducing nuclear material from one or more
15 human cells into a fertilized or unfertilized oocyte whose nuclear
16 material has been removed or inactivated so as to produce a human
17 fetus that is substantially genetically identical to a previously born
18 human being;¹

19 "Independent ethics review panel" means an independent panel
20 established by the commission in order to effectuate the provisions
21 of section 5 of this act. The panel shall include, but need not be
22 limited to, the following: recognized bioethicists, members of
23 academic and religious communities, and at least one member who
24 currently serves on an institutional review board;

25 "Independent research review panel" means an independent
26 panel established by the commission 'in accordance with subsection
27 c. of section 5 of this act' in order to effectuate the provisions of
28 section 5 of this act **'[The panel shall include, but need not be**
29 **limited to, nationally recognized experts in the field of stem cell**
30 **research]'**;

31 **'["Research grant" means a grant awarded to an eligible research**
32 **institution pursuant to this act to fund any expenses incurred in**
33 **connection with scientific and medical research conducted in the**
34 **State, including, but not limited to: basic stem cell biology using**
35 **human or non-human adult or embryonic stem cells; translational**
36 **and clinical work; the development of tools and processes**
37 **including, but not limited to, diagnostic tools and processes;**
38 **training programs; the development of capacity for additional stem**
39 **cell research in the State; regenerative therapy development; and the**
40 **development of pharmacologies and treatments through clinical**
41 **trials;]'**

42 "Stem cell" means any unspecialized or undifferentiated cell that
43 can self-replicate and has the potential to differentiate into a
44 specialized cell type ¹, including but not limited to the stem cells
45 generally referred to as adult stem cells and embryonic stem cells;

1 "Stem cell research grant" means a grant awarded to an eligible
2 research institution pursuant to this act to fund any expenses
3 incurred in connection with a stem cell research project;

4 "Stem cell research project" means scientific and medical
5 research conducted in the State, including, but not limited to: basic
6 stem cell biology using human or non-human adult or embryonic
7 stem cells; recovery and collection of biomaterials; translational and
8 clinical work; the development of tools and processes including, but
9 not limited to, diagnostic tools and processes; training programs;
10 the development of capacity for additional stem cell research in the
11 State; regenerative therapy development; and the development of
12 pharmacologies and treatments through clinical trials that will result
13 in the cure for or substantial mitigation of major diseases, injuries,
14 or orphan diseases¹.

15
16 4. The commission shall adopt, pursuant to the "Administrative
17 Procedure Act," P.L.1968 c.410 (C.52:14B-1 et seq.), rules and
18 regulations necessary to implement the provisions of this act.

19
20 5. a. Bonds of the State of New Jersey are authorized to be
21 issued in the aggregate principal amount of ¹~~["\$230 million"]~~ \$450
22 million¹ for the purpose of financing stem cell research grants, and
23 the costs thereof, at eligible research institutions. ¹Provided
24 however, that no bonds shall be issued pursuant to this act unless
25 the State Treasurer first certifies that recurring revenues of the State
26 would be available annually in an amount equal to the sum
27 necessary to satisfy the annual debt service obligations related to
28 such bonds. Nothing contained in this section shall be construed to
29 limit, impair, or affect in any way the pledge of the full faith and
30 credit of the State for the payment of the interest and redemption
31 premium thereon, if any, when due, and for the payment of the
32 principal thereof at maturity or earlier redemption date, for any
33 bonds issued pursuant to this act.¹ Stem cell research grants funded
34 by bond monies shall be distributed annually and shall not exceed
35 ¹~~["\$33 million"]~~ \$45 million¹ per year, except that any unused grant
36 capacity shall carry over to subsequent years. Funds to support
37 stem cell research grants shall be subject to appropriation pursuant
38 to the provisions of section 15 of this act. In the event that the
39 "Stem Cell Research Fund" established pursuant to section 14 of
40 this act is supplemented or replenished as provided in subsection f.
41 of this section or subsection c. of section 15 of this act, the stem cell
42 research grant program shall remain in effect until all
43 supplementing or replenishing funds are disbursed as grants
44 pursuant to this act.

45 b. ¹~~["Not more than 5% of a stem cell research grant awarded to~~
46 an eligible research institution pursuant to this act shall be used for
47 the administrative costs of the eligible research institution] The

1 commission shall establish, by regulation, reasonable limitations on
 2 the proportion of stem cell research grant funding awarded to an
 3 eligible research institution pursuant to this act that may be used for
 4 the administrative costs of the eligible research institution. In
 5 exercising its discretion to establish appropriate limitations on the
 6 use of grant funding for administrative costs, the commission shall
 7 take into consideration the restrictions and limitations established
 8 by other states and government entities that provide funding for
 9 stem cell research, in order to promote and maintain the State's
 10 competitive position in this field while, at the same time, ensuring
 11 that potential applicants are not inappropriately deterred from
 12 applying for stem cell research grants pursuant to this act. The
 13 commission shall include, as part of the annual plan called for under
 14 section 25 of this act, a description and explanation of any
 15 limitations established pursuant to this subsection, as well as
 16 current information concerning the actual use of stem cell research
 17 grant funding awarded pursuant to this act for administrative costs
 18 by eligible research institutions¹ .

19 c. The commission shall administer the stem cell research grant
 20 program and solicit and evaluate stem cell research grant
 21 applications. The commission shall designate an independent
 22 research review panel composed of nationally recognized experts
 23 '[in the field of stem cell research] , which shall consist of
 24 individuals with relevant experience , which may include, but shall
 25 not be limited to, experience in the following areas: basic science;
 26 collecting, culturing, and growing stem cells; transplant
 27 immunology; clinical specialties in neurology, cardiology,
 28 pulmonary, oncology, or hematology; diabetes; liver disease; stem
 29 cell transplantation; recovery and collection of cells from
 30 biomaterial sources; biotechnology involving stem cell research;
 31 engineering; business marketing; and intellectual property,¹ to
 32 review stem cell research grant applications '[, and] . The
 33 commission shall also designate¹ an independent ethics review
 34 panel to ensure that stem cell research conducted pursuant to this
 35 act will be carried out in a scientifically sound and ethical manner.

36 d. The independent research review panel shall conduct a
 37 scientific review ¹, in accordance with this act,¹ of the research
 38 proposed in each grant application and 'analyze and'¹ make
 39 recommendations '[for funding for stem cell research grants, as
 40 appropriate] with respect to each grant application¹ .

41 The commission, after receiving 'the analysis and'¹
 42 recommendations from the independent research review panel, shall
 43 'review such analysis and recommendations and'¹ prepare a list of
 44 eligible projects which:

45 (1) are likely to result in research that can be applied to therapies
 46 to treat chronic, debilitating or often incurable diseases or
 47 irreversible injuries; and

1 (2) will be conducted in a scientifically sound and ethical
2 manner.

3 The list shall be submitted to the independent ethics review panel
4 for final approval.

5 A stem cell research grant awarded to an eligible research
6 institution shall be contingent upon approval by the independent
7 ethics review panel and approval by the eligible research
8 institution's institutional review board operating in accordance with
9 applicable law.

10 'The commission shall consult with the authority concerning the
11 commercial viability of the eligible projects. The authority shall
12 assist the State Treasurer in structuring the payment terms and
13 conditions on the State's return on investment.'

14 e. Funds appropriated by the Legislature to support stem cell
15 research grants shall be disbursed by the commission only in
16 accordance with the list approved by the independent ethics review
17 panel. A directory of the eligible research institutions receiving
18 stem cell research grants and the amount of each grant award shall
19 be made available to the public on an annual basis. 'No funds
20 authorized for, or made available to, an eligible research institution
21 pursuant to this act shall be used for the purpose of human cloning.'

22 f. The State Treasurer shall require an eligible research
23 institution to make payments to the State in an amount representing
24 a reasonable return on the investment made pursuant to this act if
25 the eligible research institution realizes a financial gain or benefit
26 directly associated with an approved research project funded
27 pursuant to this act.

28 '[Payments pursuant to this section shall be made annually for
29 any year during which the eligible research institution realizes any
30 financial gain or benefit directly associated with an approved
31 research project funded pursuant to this act. The payment shall
32 equal 1% of the financial gain or benefit realized during that year,
33 until aggregate annual payments by the eligible research institution
34 total 10 times the amount of the grant award.】' The payments shall
35 be subject to such terms and conditions as the State Treasurer may
36 require. 'In exercising the Treasurer's discretion to establish
37 appropriate payment terms and conditions, the Treasurer shall
38 consult with the authority and shall take into consideration the
39 payment terms and conditions established by other states and
40 government entities that provide funding for stem cell research, in
41 order to promote and maintain the State's competitive position in
42 this field while, at the same time, ensuring that potential applicants
43 are not inappropriately deterred from applying for stem cell
44 research grants pursuant to this act.' Payments pursuant to this
45 section shall be paid into the "Stem Cell Research Fund" established
46 pursuant to section 14 of this act for the purpose of replenishing the
47 fund.

1 g. An eligible research institution shall indemnify or insure and
2 hold the State harmless against any and all losses, claims, damages,
3 expenses or liabilities, including attorney fees, arising from the
4 research it conducts pursuant to a stem cell research grant awarded
5 pursuant to this act. In the alternative, an eligible research
6 institution shall name the State as an additional insured and submit
7 proof of such insurance.

8 Notwithstanding any other provision of law to the contrary, the
9 State of New Jersey and its officers, employees and agents shall not
10 be liable for damages in any civil action resulting, directly or
11 indirectly, from the State's funding of stem cell research pursuant to
12 this act. For the purposes of this section, the "funding of stem cell
13 research" shall include, but not be limited to, the administration of
14 the stem cell research grant application process established pursuant
15 to this act, the selection of approved research projects, the
16 disbursement of stem cell research grants and any other activities
17 authorized or required by this act.

18 h. Members of the commission, as well as members of the
19 independent ethics review panel and the independent research
20 review panel established pursuant to this act, shall comply with the
21 provisions of the "New Jersey Conflicts of Interest Law," P.L.1971,
22 c.182 (C.52:13D-12 et seq.) and the provisions of the Code of
23 Ethics adopted by the commission. The commission members and
24 the members of the panels shall also comply with any financial
25 disclosure requirements imposed by the Governor by Executive
26 Order. In addition, members of the panels shall be subject to such
27 'confidentiality,' 'non-disclosure,' and 'non-competition' agreements
28 as shall be required by the commission.

29

30 6. The bonds authorized under this act shall be serial bonds,
31 term bonds, or a combination thereof, and shall be known as "Stem
32 Cell Research Bonds." They shall be issued from time to time as the
33 issuing officials herein named shall determine and may be issued in
34 coupon form, fully-registered form or book-entry form. The bonds
35 may be subject to redemption prior to maturity and shall mature and
36 be paid not later than 35 years from the respective dates of their
37 issuance.

38

39 7. The Governor, the State Treasurer and the Director of the
40 Division of Budget and Accounting in the Department of the
41 Treasury, or any two of these officials, herein referred to as "the
42 issuing officials," are authorized to carry out the provisions of this
43 act relating to the issuance of bonds, and shall determine all matters
44 in connection therewith, subject to the provisions of this act. If an
45 issuing official is absent from the State or incapable of acting for
46 any reason, the powers and duties of that issuing official shall be
47 exercised and performed by the person authorized by law to act in
48 an official capacity in the place of that issuing official.

1 8. Bonds issued in accordance with the provisions of this act
2 shall be a direct obligation of the State of New Jersey, and the faith
3 and credit of the State are pledged for the payment of the interest
4 and redemption premium thereon, if any, when due, and for the
5 payment of the principal thereof at maturity or earlier redemption
6 date. The principal of and interest on the bonds shall be exempt
7 from taxation by the State or by any county, municipality or other
8 taxing district of the State.

9
10 9. The bonds shall be signed in the name of the State by means
11 of the manual or facsimile signature of the Governor under the
12 Great Seal of the State, which seal may be by facsimile or by way
13 of any other form of reproduction on the bonds, and attested by the
14 manual or facsimile signature of the Secretary of State, or an
15 Assistant Secretary of State, and shall be countersigned by the
16 facsimile signature of the Director of the Division of Budget and
17 Accounting in the Department of the Treasury and may be manually
18 authenticated by an authenticating agent or bond registrar, as the
19 issuing official shall determine. Interest coupons, if any, attached to
20 the bonds shall be signed by the facsimile signature of the Director
21 of the Division of Budget and Accounting in the Department of the
22 Treasury. The bonds may be issued notwithstanding that an official
23 signing them or whose manual or facsimile signature appears on the
24 bonds or coupons has ceased to hold office at the time of issuance,
25 or at the time of the delivery of the bonds to the purchaser thereof.

26
27 10. a. The bonds shall recite that they are issued for the
28 purposes set forth in section 5 of this act, that they are issued
29 pursuant to this act, that this act was submitted to the people of the
30 State at the next general election held at least 70 days after
31 enactment as specified in section 23 of this act, and that this act was
32 approved by a majority of the legally qualified voters of the State
33 voting thereon at the election. This recital shall be conclusive
34 evidence of the authority of the State to issue the bonds and their
35 validity. Any bonds containing this recital shall, in any suit, action
36 or proceeding involving their validity, be conclusively deemed to be
37 fully authorized by this act and to have been issued, sold, executed
38 and delivered in conformity herewith and with all other provisions
39 of laws applicable hereto, and shall be incontestable for any cause.

40 b. The bonds shall be issued in those denominations and in the
41 form or forms, whether coupon, fully-registered or book-entry, and
42 with or without provisions for interchangeability thereof, as may be
43 determined by the issuing officials.

44
45 11. When the bonds are issued from time to time, the bonds of
46 each issue shall constitute a separate series to be designated by the
47 issuing officials. Each series of bonds shall bear such rate or rates
48 of interest as may be determined by the issuing officials, which

1 interest shall be payable semiannually; except that the first and last
2 interest periods may be longer or shorter, in order that intervening
3 semiannual payments may be at convenient dates.
4

5 12. The bonds shall be issued and sold at the price or prices and
6 under the terms, conditions and regulations as the issuing officials
7 may prescribe, after notice of the sale, published at least once in at
8 least three newspapers published in this State, and at least once in a
9 publication carrying municipal bond notices and devoted primarily
10 to financial news, published in this State or in the city of New York,
11 the first notice to appear at least five days prior to the day of
12 bidding. The notice of sale may contain a provision to the effect
13 that any bid in pursuance thereof may be rejected. In the event of
14 rejection or failure to receive any acceptable bid, the issuing
15 officials, at any time within 60 days from the date of the advertised
16 sale, may sell the bonds at a private sale at such price or prices
17 under the terms and conditions as the issuing officials may
18 prescribe. The issuing officials may sell all or part of the bonds of
19 any series as issued to any State fund or to the federal government
20 or any agency thereof, at a private sale, without advertisement.
21

22 13. Until permanent bonds are prepared, the issuing officials
23 may issue temporary bonds in the form and with those privileges as
24 to their registration and exchange for permanent bonds as may be
25 determined by the issuing officials.
26

27 14. The proceeds from the sale of bonds used to finance stem
28 cell research grants to eligible research institutions for approved
29 research projects, and the costs thereof, shall be paid to the State
30 Treasurer and be held by the State Treasurer in a separate fund, and
31 be deposited in such depositories as may be selected by the State
32 Treasurer to the credit of the fund, which fund shall be known as
33 the "Stem Cell Research Fund."
34

35 15. a. The moneys in the "Stem Cell Research Fund" are
36 specifically dedicated and shall be applied to the purpose of
37 financing stem cell research grants and the costs thereof as set forth
38 in section 5 of this act. However, no moneys in the fund shall be
39 expended for those purposes, except as otherwise authorized by this
40 act, without the specific appropriation thereof by the Legislature,
41 but bonds may be issued as herein provided, notwithstanding that
42 the Legislature shall not have then adopted an act making a specific
43 appropriation of any of the moneys.

44 b. At any time prior to the issuance and sale of bonds under
45 this act, the State Treasurer is authorized to transfer from any
46 available moneys in any fund of the treasury of the State to the
47 credit of the "Stem Cell Research Fund" those sums as the State
48 Treasurer may deem necessary. The sums so transferred shall be

1 returned to the same fund of the treasury of the State by the State
2 Treasurer from the proceeds of the sale of the first issue of bonds.

3 c. Pending their application to the purposes provided in this
4 act, the moneys in the "Stem Cell Research Fund" may be invested
5 and reinvested as are other trust funds in the custody of the State
6 Treasurer, in the manner provided by law. Net earnings received
7 from the investment or deposit of moneys in the "Stem Cell
8 Research Fund" shall be paid into the "Stem Cell Research Fund"
9 for the purpose of supplementing or replenishing the fund.

10
11 16. If any coupon bond, coupon or registered bond is lost,
12 mutilated or destroyed, a new bond or coupon shall be executed and
13 delivered of like tenor, in substitution for the lost, mutilated or
14 destroyed bond or coupon, upon the owner furnishing to the issuing
15 officials evidence satisfactory to them of the loss, mutilation or
16 destruction of the bond or coupon, the ownership thereof, and
17 security, indemnity and reimbursement for expenses connected
18 therewith, as the issuing officials may require.

19
20 17. The accrued interest, if any, received upon the sale of the
21 bonds shall be applied to the discharge of a like amount of interest
22 upon the bonds when due. Any expense incurred by the issuing
23 officials for advertising, engraving, printing, clerical,
24 authenticating, registering, legal or other services necessary to carry
25 out the duties imposed upon them by the provisions of this act shall
26 be paid from the proceeds of the sale of the bonds by the State
27 Treasurer, upon the warrant of the Director of the Division of
28 Budget and Accounting in the Department of the Treasury, in the
29 same manner as other obligations of the State are paid.

30
31 18. Bonds of each series issued hereunder shall mature,
32 including any sinking fund redemptions, not later than the 35th year
33 from the date of issue of that series, and in amounts as shall be
34 determined by the issuing officials. The issuing officials may
35 reserve to the State by appropriate provision in the bonds of any
36 series the power to redeem any of the bonds prior to maturity at the
37 price or prices and upon the terms and conditions as may be
38 provided in the bonds.

39
40 19. Any bond or bonds issued hereunder which are subject to
41 refinancing pursuant to the "Refunding Bond Act of 1985,"
42 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),
43 shall no longer be deemed to be outstanding, shall no longer
44 constitute a direct obligation of the State of New Jersey, and the
45 faith and credit of the State shall no longer be pledged to the
46 payment of the principal of, redemption premium, if any, and
47 interest on the bonds, and the bonds shall be secured solely by and
48 payable solely from moneys and government securities deposited in

1 trust with one or more trustees or escrow agents, which trustees and
2 escrow agents shall be trust companies or national or state banks
3 having powers of a trust company, located either within or without
4 the State, as provided herein, whenever there shall be deposited in
5 trust with the trustees or escrow agents, as provided herein, either
6 moneys or government securities, including government securities
7 issued or held in book-entry form on the books of the Department of
8 Treasury of the United States, the principal of and interest on which
9 when due will provide money which, together with the moneys, if
10 any, deposited with the trustees or escrow agents at the same time,
11 shall be sufficient to pay when due the principal of, redemption
12 premium, if any, and interest due and to become due on the bonds
13 on or prior to the redemption date or maturity date thereof, as the
14 case may be; provided the government securities shall not be
15 subject to redemption prior to their maturity other than at the option
16 of the holder thereof. The State of New Jersey hereby covenants
17 with the holders of any bonds for which government securities or
18 moneys shall have been deposited in trust with the trustees or
19 escrow agents as provided in this section that, except as otherwise
20 provided in this section, neither the government securities nor
21 moneys so deposited with the trustees or escrow agents shall be
22 withdrawn or used by the State for any purpose other than, and shall
23 be held in trust for, the payment of the principal of, redemption
24 premium, if any, and interest to become due on the bonds; provided
25 that any cash received from the principal or interest payments on
26 the government securities deposited with the trustees or escrow
27 agents, to the extent the cash will not be required at any time for
28 that purpose, shall be paid over to the State, as received by the
29 trustees or escrow agents, free and clear of any trust, lien, pledge or
30 assignment securing the bonds; and to the extent the cash will be
31 required for that purpose at a later date, shall, to the extent
32 practicable and legally permissible, be reinvested in government
33 securities maturing at times and in amounts sufficient to pay when
34 due the principal of, redemption premium, if any, and interest to
35 become due on the bonds on and prior to the redemption date or
36 maturity date thereof, as the case may be, and interest earned from
37 the reinvestments shall be paid over to the State, as received by the
38 trustees or escrow agents, free and clear of any trust, lien or pledge
39 securing the bonds. Notwithstanding anything to the contrary
40 contained herein: a. the trustees or escrow agents shall, if so
41 directed by the issuing officials, apply moneys on deposit with the
42 trustees or escrow agents pursuant to the provisions of this section,
43 and redeem or sell government securities so deposited with the
44 trustees or escrow agents, and apply the proceeds thereof to (1) the
45 purchase of the bonds which were refinanced by the deposit with
46 the trustees or escrow agents of the moneys and government
47 securities and immediately thereafter cancel all bonds so purchased,
48 or (2) the purchase of different government securities; provided

1 however, that the moneys and government securities on deposit
 2 with the trustees or escrow agents after the purchase and
 3 cancellation of the bonds or the purchase of different government
 4 securities shall be sufficient to pay when due the principal of,
 5 redemption premium, if any, and interest on all other bonds in
 6 respect of which the moneys and government securities were
 7 deposited with the trustees or escrow agents on or prior to the
 8 redemption date or maturity date thereof, as the case may be; and b.
 9 in the event that on any date, as a result of any purchases and
 10 cancellations of bonds or any purchases of different government
 11 securities, as provided in this sentence, the total amount of moneys
 12 and government securities remaining on deposit with the trustees or
 13 escrow agents is in excess of the total amount which would have
 14 been required to be deposited with the trustees or escrow agents on
 15 that date in respect of the remaining bonds for which the deposit
 16 was made in order to pay when due the principal of, redemption
 17 premium, if any, and interest on the remaining bonds, the trustees or
 18 escrow agents shall, if so directed by the issuing officials, pay the
 19 amount of the excess to the State, free and clear of any trust, lien,
 20 pledge or assignment securing the refunding bonds.

21
 22 20. Refunding bonds issued pursuant to P.L.1985, c.74 as
 23 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be
 24 consolidated with bonds issued pursuant to section 5 of this act or
 25 with bonds issued pursuant to any other act for purposes of sale.

26
 27 21. To provide funds to meet the interest and principal payment
 28 requirements for the bonds and refunding bonds issued under this
 29 act and outstanding, there is appropriated in the order following:

30 a. Revenue derived from the collection of taxes under the
 31 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so
 32 much thereof as may be required; and

33 b. If, at any time, funds necessary to meet the interest,
 34 redemption premium, if any, and principal payments on outstanding
 35 bonds issued under this act are insufficient or not available, there
 36 shall be assessed, levied and collected annually in each of the
 37 municipalities of the counties of this State, a tax on the real and
 38 personal property upon which municipal taxes are or shall be
 39 assessed, levied and collected, sufficient to meet the interest on all
 40 outstanding bonds issued hereunder and on the bonds proposed to
 41 be issued under this act in the calendar year in which the tax is to be
 42 raised and for the payment of bonds falling due in the year
 43 following the year for which the tax is levied. The tax shall be
 44 assessed, levied and collected in the same manner and at the same
 45 time as are other taxes upon real and personal property. The
 46 governing body of each municipality shall cause to be paid to the
 47 county treasurer of the county in which the municipality is located,
 48 on or before December 15 in each year, the amount of tax herein

1 directed to be assessed and levied, and the county treasurer shall
2 pay the amount of the tax to the State Treasurer on or before
3 December 20 in each year.

4 If on or before December 31 in any year, the issuing officials, by
5 resolution, determine that there are moneys in the General Fund
6 beyond the needs of the State, sufficient to pay the principal of
7 bonds falling due and all interest and redemption premium, if any,
8 payable in the ensuing calendar year, the issuing officials shall file
9 the resolution in the office of the State Treasurer, whereupon the
10 State Treasurer shall transfer the moneys to a separate fund to be
11 designated by the State Treasurer, and shall pay the principal,
12 redemption premium, if any, and interest out of that fund as the
13 same shall become due and payable, and the other sources of
14 payment of the principal, redemption premium, if any, and interest
15 provided for in this section shall not then be available, and the
16 receipts for the year from the tax specified in subsection a. of this
17 section shall be considered and treated as part of the General Fund,
18 available for general purposes.

19
20 22. Should the State Treasurer, by December 31 of any year,
21 deem it necessary, because of the insufficiency of funds collected
22 from the sources of revenues as provided in this act, to meet the
23 interest and principal payments for the year after the ensuing year,
24 then the State Treasurer shall certify to the Director of the Division
25 of Budget and Accounting in the Department of the Treasury the
26 amount necessary to be raised by taxation for those purposes, the
27 same to be assessed, levied and collected for and in the ensuing
28 calendar year. The director shall, on or before March 1 following,
29 calculate the amount in dollars to be assessed, levied and collected
30 in each county as herein set forth. This calculation shall be based
31 upon the corrected assessed valuation of each county for the year
32 preceding the year in which the tax is to be assessed, but the tax
33 shall be assessed, levied and collected upon the assessed valuation
34 of the year in which the tax is assessed and levied. The director
35 shall certify the amount to the county board of taxation and the
36 treasurer of each county. The county board of taxation shall include
37 the proper amount in the current tax levy of the several taxing
38 districts of the county in proportion to the ratables as ascertained for
39 the current year.

40
41 23. For the purpose of complying with the provisions of the
42 State Constitution, this act shall be submitted to the people at the
43 general election next occurring at least 70 days after enactment. To
44 inform the people of the contents of this act, it shall be the duty of
45 the Attorney General, after this section takes effect, and at least 60
46 days prior to the election, to cause this act to be published at least
47 once in one or more newspapers of each county, if any newspapers
48 be published therein and to notify the clerk of each county of this

1 State of the passage of this act; and the clerks respectively, in
2 accordance with the instructions of the Attorney General, shall have
3 printed on each of the ballots the following:
4 If you approve of the act entitled below, make a cross (x), plus
5 (+), or check (✓) mark in the square opposite the word "Yes."
6 If you disapprove of the act entitled below, make a cross (x),
7 plus (+), or check (✓) mark in the square opposite the word "No."
8 If voting machines are used, a vote of "Yes" or "No" shall be
9 equivalent to these markings respectively.
10

		<p>STEM CELL RESEARCH BOND ISSUE</p> <p>Shall the "New Jersey Stem Cell Research Bond Act," which authorizes the State to issue bonds in the amount of ¹["\$230 million"] <u>\$450 million</u>¹ for grants to fund ¹"<u>stem cell research 'projects," as defined in the act,</u>¹ at institutions of higher education and other entities in the State conducting scientific and medical research, and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, ¹<u>provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds,</u>¹ be approved?</p>
	YES	

1

		<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of '[\$230 million] \$450 million' in State general obligation bonds to provide grants for stem cell, scientific, and medical research, as defined in the act, at institutions of higher education and other nonprofit and for profit entities in the State conducting scientific and medical research ', <u>provided that recurring revenues of the State are certified by the State Treasurer to be available in an amount equal to the sum necessary to satisfy the annual debt service obligations related to such bonds'</u> . Grants would be awarded by the Commission on Science and Technology, subject to evaluation by an independent research review panel composed of experts in stem cell 'and related' research and by an independent ethics review panel. If a grant recipient realizes a financial gain or benefit directly associated with the '[stem cell]' research funded by its grant, the act requires the recipient to '[repay the State 1% of the gain or benefit the recipient receives, up to 10 times the amount of the grant]' <u>make payments to the State in an amount representing a reasonable return on the State's investment, as determined by the State Treasurer'</u> . The purpose of providing these funds is to promote research that could benefit State residents afflicted with diseases and severe injuries such as Alzheimer's disease, cancer, diabetes, Lou Gehrig's disease, Parkinson's disease, sickle cell anemia and spinal cord injuries.</p>
	NO	

2

3 The fact and date of the approval or passage of this act, as the
4 case may be, may be inserted in the appropriate place after the title
5 in the ballot. No other requirements of law of any kind or character
6 as to notice or procedure, except as herein provided, need be
7 adhered to.

8 The votes so cast for and against the approval of this act, by
9 ballot or voting machine, shall be counted and the result thereof
10 returned by the election officer, and a canvass of the election had in

1 the same manner as is provided for by law in the case of the
2 election of a Governor, and the approval or disapproval of this act
3 so determined shall be declared in the same manner as the result of
4 an election for a Governor, and if there is a majority of all the votes
5 cast for and against it at the election in favor of the approval of this
6 act, then all the provisions of this act not made effective theretofore
7 shall take effect forthwith.

8
9 24. There is appropriated the sum of \$5,000 to the Department
10 of Law and Public Safety for expenses in connection with the
11 publication of notice pursuant to section 23 of this act.

12
13 25. The commission shall submit to the State Treasurer a plan for
14 the expenditure of funds from the "Stem Cell Research Fund" for
15 the upcoming fiscal year. This plan shall include the following
16 information: a performance evaluation of the expenditures made
17 from the funds to date; a description of approved research projects
18 planned during the upcoming fiscal year; a copy of the regulations
19 in force governing the operation of approved research projects that
20 are financed, in part or in whole, by funds from the "Stem Cell
21 Research Fund", ¹" ¹including the information concerning use of
22 research grant funding for administrative costs as required under
23 subsection b. of section 5 of this act,¹ and an estimate of
24 expenditures for the upcoming fiscal year.

25
26 26. Immediately following the submission to the Legislature of
27 the Governor's annual budget message, the commission shall submit
28 to the Health, Human Services and Senior Citizens Committee of
29 the Senate and the Health and Senior Services Committee of the
30 General Assembly, or their designated successors, and to the Joint
31 Budget Oversight Committee, or its successor, a copy of the plan
32 called for under section 25 of this act, together with such changes
33 therein as may have been required by the Governor's budget
34 message.

35
36 27. This section and sections 23 and 24 of this act shall take
37 effect immediately and the remainder of this act shall take effect as
38 and when provided in section 23.